

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

Audited Financial Statements
As of and For the Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/23/09

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
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Audited Financial Statements
As of and For the Year Ended June 30, 2009

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BOBBY JINDAL
GOVERNOR

State of Louisiana
LOUISIANA REAL ESTATE COMMISSION

MEMORANDUM

TO: Office of the Legislative Auditor

FROM: Albert Rowe, Accountant Admin. 1 

DATE: 8/24/2009

RE: Required Financial Report Submission

Please find attached the audited financial statements for the LA Real Estate Commission for the fiscal year ending 6/30/09.

If you have any questions, please call me at (225) 925-1923 ext.-245.

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

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SOCIETY OF LOUISIANA CPAs

INDEPENDENT AUDITOR'S REPORT

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

We have audited the accompanying basic financial statements of the Louisiana Real Estate Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the management of the Louisiana Real Estate Commission. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Real Estate Commission as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 28, 2009, on our consideration of the Louisiana Real Estate Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and contracts. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the Louisiana Real Estate Commission's basic financial statements taken as a whole. The accompanying supplemental information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the Louisiana Real Estate Commission. Such information has been subjected to the audit procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 28, 2009

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Management's Discussion and Analysis

The management's discussion and analysis of the Louisiana Real Estate Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the transmittal letter and the Commission's financial statements.

FINANCIAL HIGHLIGHTS

The Commission's assets exceeded its liabilities at the close of fiscal year 2009 by \$3,296,085. The net assets decreased by \$705,571 (or 17.6%).

The Commission's revenue decreased by \$477,747 (or 9.5%), while the expenses increased by \$91,370 (or 1.8%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The Louisiana Real Estate Commission's financial statements are comprised of the basic financial statements and the notes to the financial statements. In addition to the basic financial statements and the accompanying notes, other information in this report presents certain supplementary information required by legislative resolution. The basic financial statements are designed to provide readers with a broad overview of the Commission's finances in a manner similar to a private sector business.

Basic Financial Statements

The basic financial statements of the Louisiana Real Estate Commission presents financial information for the Commission as a whole, in a format designed to make the statements easier for the reader to understand. The statements of this section include the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows.

The Statement of Net Assets (page 9) presents the current and long-term portion of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Net Assets (page 10) presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (page 11) presents information showing how the Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of

operating income to net cash provided by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE COMMISSION

Statement of Net Assets as of June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 2,934,562	\$ 1,813,990
Capital assets	<u>3,331,394</u>	<u>3,300,056</u>
Total assets	<u>6,265,956</u>	<u>5,114,046</u>
Current liabilities	347,335	260,928
Non-current liabilities	<u>2,622,536</u>	<u>851,462</u>
Total liabilities	<u>2,969,871</u>	<u>1,112,390</u>
Total net assets	<u>\$ 3,296,085</u>	<u>\$ 4,001,656</u>

The Commission's equity interest in its capital assets is reported within the investment in capital assets. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements. The unrestricted net assets are those that do not have any limitations for what these amounts may be used.

Net assets of the Commission decreased by \$705,571, or 17.6%, from June 30, 2008, to June 30, 2009.

Statement of Revenues, Expenses, and Changes in Net Assets for the year ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 1,802,442	\$ 2,026,660
Operating expenses	<u>(2,512,701)</u>	<u>(2,300,752)</u>
Operating income (loss)	(710,259)	(274,092)
Non-operating revenues/expenses	4,688	137,638
Increase (decrease) in net assets	<u>\$ (705,571)</u>	<u>\$ (136,454)</u>

The Commission's total revenues decreased by \$477,747 or 9.5%. The total cost of all programs and services increased by \$91,370 or 1.8%.

CAPITAL ASSETS

At the end of 2009, the Commission had \$3,331,394 invested in a broad range of capital assets, including land, building, and furniture and equipment.

**Capital Assets at Year-end
(Net of Depreciation)**

Land	\$ 198,460
Building	3,076,868
Furniture and equipment	<u>56,066</u>
Total	<u>\$ 3,331,394</u>

BUDGET

The annual budget was approved by the Commission at the December 20, 2007 meeting.

**CONTACTING THE LOUISIANA REAL ESTATE
COMMISSION'S MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and customers with a general overview of the Louisiana Real Estate Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Executive Director, Louisiana Real Estate Commission, Post Office Box 14785, Baton Rouge, Louisiana 70898-4785.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Net Assets
June 30, 2009

Assets

Current assets

Cash (note 2)	\$ 1,993,754
Investments (note 3)	940,759
Receivables	49
Total current assets	<u>2,934,562</u>

Non-current assets

Capital assets, net of depreciation (note 4)	3,331,394
Total assets	<u>6,265,956</u>

Liabilities

Current liabilities

Accounts payable (note 8)	147,073
Deposits held for others	76,389
Due to Louisiana Real Estate Appraisers Board	41,006
Current portion of long-term liability	
Accrued compensated absences (note 9)	82,867
Total current liabilities	<u>347,335</u>

Non-current liabilities

Accrued compensated absences (note 9)	23,911
OPEB payable (note 6)	608,300
Construction loan payable	1,990,325
Total non-current liabilities	<u>2,622,536</u>
Total liabilities	<u>2,969,871</u>

Net assets

Invested in capital assets	3,331,394
Restricted net assets	400,000
Unrestricted net assets	(435,309)
Total net assets	<u>\$ 3,296,085</u>

See accompanying notes to the financial statements.

**Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Revenues, Expenses,
and Changes in Net Assets
Year Ended June 30, 2009**

Operating revenues	
Licenses, permits, and fees	<u>\$ 1,802,442</u>
Operating expenses	
Personal services	1,664,799
Travel	80,009
Operating services	377,802
Supplies	136,658
Professional services	85,410
Other charges	58,411
Capital outlay	11,777
Depreciation	97,835
Total operating expenses	<u>2,512,701</u>
Operating (loss)	<u>(710,259)</u>
Non-operating revenues/expense	
Use of money and property	21,769
Other revenues	2,733,542
Other expenses	<u>(2,750,623)</u>
Total non-operating revenues/expenses	<u>4,688</u>
Change in net assets	(705,571)
Net assets, beginning of year	<u>4,001,656</u>
Net assets, end of year	<u>\$ 3,296,085</u>

See accompanying notes to the financial statements.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2009

Cash flows from operating activities	
Cash received from customers	\$ 1,802,442
Cash paid to suppliers for goods and services	(698,023)
Cash paid to employees for services	(1,332,532)
Net cash used by operating activities	<u>(228,113)</u>
Cash flows from non-capital financing activities	
Other non-operating revenue	2,733,542
Other non-operating expenses	(2,750,623)
Net cash used by non-capital financing activities	<u>(17,081)</u>
Cash flows from capital and related financing activities	
Increase in construction loan payable	1,473,470
Acquisition of capital assets	(129,173)
Net cash provided by capital and related financing activities	<u>1,344,297</u>
Cash flows from investing activities	
Purchases of investment securities	(190,047)
Interest received	22,430
Net cash used by investing activities	<u>(167,617)</u>
Net increase in cash	931,486
Cash, beginning of year	<u>1,062,268</u>
Cash, end of year	<u><u>\$ 1,993,754</u></u>

See accompanying notes to the financial statements.

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Statement of Cash Flows
Year Ended June 30, 2009

Reconciliation of operating (loss) to net cash used by operating activities	
Operating (loss)	\$ (710,259)
Adjustments to reconcile operating (loss) to net cash used by operating activities	
Depreciation	97,835
Decrease in other assets	300
Increase in accounts payable	28,603
Increase in accrued payroll and related benefits	36,640
Increase in accrued compensated absences	9,086
Increase in due to other funds	23,141
Increase in OPEB payable	286,541
	<hr/>
Net cash used by operating activities	<u>\$ (228,113)</u>

See accompanying notes to the financial statements.

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Louisiana Real Estate Commission is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 37:1430 - 1470, within the Office of the Governor, and is domiciled in East Baton Rouge Parish. The commission consists of nine members appointed by the governor. The members may receive a per diem not to exceed \$50 per meeting or day spent on business of the commission, plus travel expenses. The commission is charged with the responsibility of regulating the issuance of real estate licenses and timesharing registrations. Operations of the commission are funded through self-generated revenues.

Basis of Presentation

The accompanying financial statements have been prepared on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and financial reporting standards.

Reporting Entity

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the commission members and public service is rendered within the state's boundaries. The accompanying financial statements present only transactions of the Louisiana Real Estate Commission. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements.

Fund Accounting

All activities of the commission are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to the commission is determined by its measurement focus. The transactions of the commission are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Assets. Net Assets are segregated into invested in capital assets, restricted net assets, and unrestricted net assets.

LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements
June 30, 2009

Budget Practices

Annually, the commission adopts a budget as prescribed by Revised Statute 39:1331-1342. The budget for fiscal year ended June 30, 2009, was adopted on December 20, 2007 and is prepared on the modified accrual basis of accounting. Although budget amounts lapse at year-end, the commission retains its unexpended net assets to fund expenditures of the succeeding year.

Cash and Investments

Cash includes petty cash, demand deposits and certificates of deposit. Under state law, the commission may deposit funds in a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the commission may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the commission may invest in United States Treasury obligations, United States government agency obligations, and direct security repurchase agreements, or in eligible mutual funds that invest in these securities. Investments are stated at fair value.

Capital Assets

Capital assets are recorded at cost, if purchased or constructed. Assets acquired through contributions are capitalized at their estimated fair value, if available, or at estimated fair value or cost to construct at the date of the contribution. Furniture and equipment includes all items valued over \$5,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

	<u>Years</u>
Automobiles	5
Data processing equipment	5
Furniture and equipment	10
Buildings	40

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Compensated absences are computed in accordance with GASB Codification Section C60, and are recognized as an expense and liability in the financial statements when incurred.

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned. Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour

LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements
June 30, 2009

compensatory leave earned. Compensation paid will be based on the employee's hourly rate of pay at termination or transfer. Compensatory leave is computed in accordance with GASB Codification Section C60.105, and is recognized as an expense and liability in the financial statements when incurred.

Net Assets

Net assets comprise the various net earnings from operation, non-operating revenues, expenses, and contributions of capital. Net assets are classified in the following three components:

Invested in capital assets – Consists of all capital assets, net of accumulated depreciation.

Restricted net assets – Consists of external constraints placed on net assets use imposed by law through enabling legislation.

Unrestricted net assets – Consists of all other net assets that are not included in the other categories previously mentioned.

NOTE 2 – CASH

At June 30, 2009, the commission has cash (book balances) totaling \$1,993,754.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent banks. The fair value of the pledged securities plus the federal security must at all times equal the amount on deposit with the fiscal agents. At June 30, 2009, the commission has \$2,003,168 in deposits (collected bank balances) that were 100 percent insured or collateralized with securities held by the commission or its agent in the commission's name.

NOTE 3 – INVESTMENTS

The commission has investments totaling \$940,759 at June 30, 2009 which was invested in U. S. Treasury Bills and certificates of deposits. These investments are stated at fair value as required by GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*.

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Notes to the Financial Statements
June 30, 2009

NOTE 4 – CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
Capital assets not depreciated				
Land	\$ 198,460	\$ -	\$ -	\$ 198,460
Construction-in-progress	3,032,751	123,011	(3,155,762)	-
Total capital assets not depreciated	<u>\$ 3,231,211</u>	<u>\$ 123,011</u>	<u>\$(3,155,762)</u>	<u>\$ 198,460</u>
Other capital assets				
Furniture & Equipment	\$ 271,745	\$ 7,890	\$ (154,542)	\$ 125,093
Less accumulated depreciation	(202,900)	(18,941)	152,814	(69,027)
Building	-	3,155,762	-	3,155,762
Less accumulated depreciation	-	(78,894)	-	(78,894)
Total other capital assets	<u>\$ 68,845</u>	<u>\$3,065,817</u>	<u>\$ (1,728)</u>	<u>\$ 3,132,934</u>
Capital Asset Summary:				
Capital assets not depreciated	\$ 3,231,211	\$ 123,011	\$(3,155,762)	\$ 198,460
Other capital assets	271,745	3,163,652	(154,542)	3,280,855
Less accumulated depreciation	(202,900)	(97,835)	152,814	(147,921)
Capital Assets, net	<u>\$ 3,300,056</u>	<u>\$3,188,828</u>	<u>\$(3,157,490)</u>	<u>\$ 3,331,394</u>

NOTE 5 – RETIREMENT SYSTEM

Substantially all employees of the commission belong to the Louisiana State Employees Retirement System, a single employer defined benefit pension plan. The System is a statewide public employee retirement system and is available to all eligible employees. The System publishes annual financial reports that include detailed historical, financial, and actuarial information.

All full time commission employees are eligible to participate in the System. Benefits vest with 10 years of service. Generally, at retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months average salary multiplied by their years of credited service, except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to participate before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of services, or (c) age 60 with 10 years of service. In addition, vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of ten years of service.

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The System also provides death and disability benefits. Benefits are established or amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000.

Members are required by state statute to contribute 7.5% of gross salary, and the commission is required to contribute at an actuarially determined rate as required by Revised Statute 11:102. The commission's contribution rate for fiscal years ended June 30, 2009, 2008, and 2007 were 18.5%, 20.4%, and 19.1%, respectively, of annual covered payroll. The commission's contributions to the System for the years ending June 30, 2009, 2008, and 2007 were \$174,358, \$167,521, and \$135,802, respectively, which are the required contributions for each year.

NOTE 6 – POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Plan Description

The Commission provides certain continuing health care and life insurance benefits for its eligible retired employees and their beneficiaries through participation in the State of Louisiana's health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple-employer defined benefit plan. Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. The OGB does not issue a stand-alone report; however, OGB is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR) which may be obtained from the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap, by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 342-0708.

Funding Policy

Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the contribution rate based on years of service. The contribution rate ranges from 25% to 81%. Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis.

Annual OPEB Cost

For the 2008/09 fiscal year, the Commission's annual OPEB cost (expense) of \$353,400 was equal to the annual required contribution (ARC). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008/09 fiscal year are:

LOUISIANA REAL ESTATE COMMISSION
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Notes to the Financial Statements
June 30, 2009

<u>Fiscal Year</u>	<u>Annual OPEB cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 353,400	19.1%	\$ 608,300
6/30/08	\$ 396,000	18.7%	\$ 321,759

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2008 is as follows:

Actuarial accrued liability (AAL)	\$4,220,000
Actuarial value of plan assets	None
Unfunded actuarial accrued liability (UAAL)	\$4,220,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$1,369,484
UAAL as a percentage of covered payroll	308%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return (net of expenses) and an annual healthcare cost trend rate of 9.0% (pre-medicare) and 10.1% (medicare eligible) initially, reduced by decrements to an ultimate rate of 5% (pre-medicare and medicare eligible) and after fifteen years. The unfunded actuarial liability is shown using both a level dollar amount and a level percent of pay over an amortization period of thirty years in developing the annual required contribution.

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NOTE 7 – LEASE AND RENTAL COMMITMENTS

Lease and rental expenses for the year ended June 30, 2009 totaled \$64,950. The Commission has no capital leases.

NOTE 8 – PAYABLES

At June 30, 2009, the Commission had payables totaling \$147,073 as follows:

Accounts payable	\$ 54,780
Accrued wages payable	91,325
Refunds payable	968
Total payables	<u>\$ 147,073</u>

NOTE 9 – COMPENSATED ABSENCES

The following is a summary of changes in compensated absences for the year ended June 30, 2009:

	<u>July 1, 2008</u>	<u>Additions</u>	<u>June 30, 2009</u>
Compensated Absences	\$ 97,693	\$ 9,085	\$ 106,778

The additions to compensated absences during the 2008-09 fiscal year represent the net change during the year because the additions and deductions could not readily be determined.

NOTE 10 – LITIGATION

The Louisiana Real Estate Commission intervenes in lawsuits filed against a licensee for the purpose of protecting the commission's exposure under the Louisiana Real Estate Recovery Fund. At June 30, 2009, the total exposure to the Recovery Fund is estimated to be \$20,000. Of this amount, it is reasonably possible that \$20,000 will result in payments to claimants.

NOTE 11 – OTHER REVENUES

Other revenues consist of \$2,729,075 of fees collected from licensees and disbursed as premiums for errors and omissions insurance and \$4,467 of miscellaneous revenue.

NOTE 12 – SUBSEQUENT EVENT

The Louisiana Real Estate Commission has received approval from the Louisiana Bond Commission to borrow the proceeds of revenue bonds to construct new office space for the commission located at 9071 Interline Avenue, Baton Rouge, Louisiana. The bonds will be supported by a letter of credit in the amount of \$2,000,000 from Regions Bank, formerly AmSouth Bank. The letter of credit will be secured by an assignment of the commission's fees and will expire in three years from the date of issuance unless renewed. On July 11, 2007, bond anticipation notes were executed in the amount of

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Notes to the Financial Statements
June 30, 2009

\$2,000,000 for use in interim construction of the building. As of June 30, 2009, the Commission had drawn total installments of \$2,000,000, and the balance of the notes outstanding was \$1,990,325. The notes will mature on October 11, 2009 based upon an amendment to the notes dated July 6, 2009. The notes will be paid from the proceeds of the bond issuance. The Commission moved into the building on July 18, 2008.

**Other Report Required By
*Government Auditing Standards***

The following pages contain a report on compliance with laws and regulations and on internal control as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.

Roy Chenevert

CERTIFIED PUBLIC ACCOUNTANT

14635 S. HARRELLS FERRY ROAD, SUITE 28
BATON ROUGE, LA 70816-2959

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AMERICAN INSTITUTE OF CPAs
AICPA PRIVATE COMPANIES PRACTICE SECTION
SOCIETY OF LOUISIANA CPAs

REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL
CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT
OF THE BASIC FINANCIAL STATEMENTS

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Baton Rouge, Louisiana

We have audited the basic financial statements of the Louisiana Real Estate Commission, a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, and have issued our report thereon dated August 28, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Real Estate Commission's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Louisiana Real Estate Commission's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Real Estate Commission's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Louisiana Real Estate Commission's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the commission's financial statements that is more than inconsequential will not be prevented or detected by the commission's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the commission's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the commission and its management and is not intended to be, and should not be, used by anyone other than these specified parties.

Roy Chenevert, CPA

Baton Rouge, Louisiana
August 28, 2009

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Schedule of Findings
For the Year Ended June 30, 2009

Type of auditor's report issued: Unqualified.

Compliance: No instances of noncompliance were identified.

Internal control over financial reporting: No findings were identified.

LOUISIANA REAL ESTATE COMMISSION
Office of the Governor
State of Louisiana
Summary Schedule of Prior Audit Findings

For the Year Ended June 30, 2008

Finding Title: 2008-1: Inadequate Collateralization of Deposits

Status of Finding: Fully Corrected

The commission's deposits were adequately secured in accordance with Louisiana Revised Statute 49:321 as of June 30, 2009.

SUPPLEMENTAL INFORMATION SCHEDULES

PER DIEM PAID COMMISSION MEMBERS

The schedule of per diem paid to commission members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Per diem payments are authorized by Louisiana Revised Statute 37:1433. Commission members are paid \$50 per day for commission meetings and official business.

SCHEDULE OF FUNDING PROGRESS FOR THE OTHER POSTEMPLOYMENT BENEFIT PLAN

Information about the other post-employment benefit plan (OPEB) funding progress was prepared in compliance with GASB 45.

DIVISION OF ADMINISTRATION – OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY – REPORTING PACKAGE

The reporting package of the Division of Administration – Office of Statewide Reporting and Accounting Policy (OSRAP) was completed in order to provide information to OSRAP to be used in the preparation of the State of Louisiana's Comprehensive Annual Financial Report (CAFR).

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Schedule of Per Diem Paid Commission Members
For the Year Ended June 30, 2009

	<u>Amount</u>
Keitha Avant	\$ 550
Michael D. Bono	850
Pat Caffery	600
Gretchen Ezernack	1,500
Tim Flavin	900
Jennifer Lanasa (term began July 31, 2008)	1,050
Judy Songy	1,250
Cynthia Stafford	1,700
Frank Trapani	<u>1,100</u>
 Total	 <u>\$ 9,500</u>

Louisiana Real Estate Commission
Office of the Governor
State of Louisiana
Schedule of Funding Progress
For the Year Ended June 30, 2009

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage Of Covered Payroll
7/1/08	NONE	\$4,220,000	\$4,220,000	0%	\$1,369,484	308%
7/1/07	NONE	\$4,352,500	\$4,352,500	0%	\$1,248,134	349%

LOUISIANA REAL ESTATE COMMISSION
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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Statement of Activities	C
Statement of Cash Flows	D

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- | | |
|----|--|
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BOBBY JINDAL
GOVERNOR

State of Louisiana
LOUISIANA REAL ESTATE COMMISSION

MEMORANDUM

TO: Office of the Legislative Auditor

FROM: Albert Rowe, Accountant Admin. 1 

DATE: 8/24/2009

RE: Required Financial Report Submission

Please find attached the audited financial statements for the LA Real Estate Commission for the fiscal year ending 6/30/09.

If you have any questions, please call me at (225) 925-1923 ext.-245.

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

LOUISIANA REAL ESTATE COMMISSION
Post Office Box 14785
Baton Rouge, LA 70898-4785

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Albert B. Rowe, Chief Financial Officer of Louisiana Real Estate Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Real Estate Commission at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 20th day of August, 2009.

Albert B. Rowe
Signature of Agency Official

Arline C. Edwards
NOTARY PUBLIC Arline C. Edwards

Prepared by: Albert B. Rowe

Title: Chief Financial Officer

Telephone No.: (225) 925-1923

Date: 8/20/09

Email Address: arowe@lrec.state.la.us

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

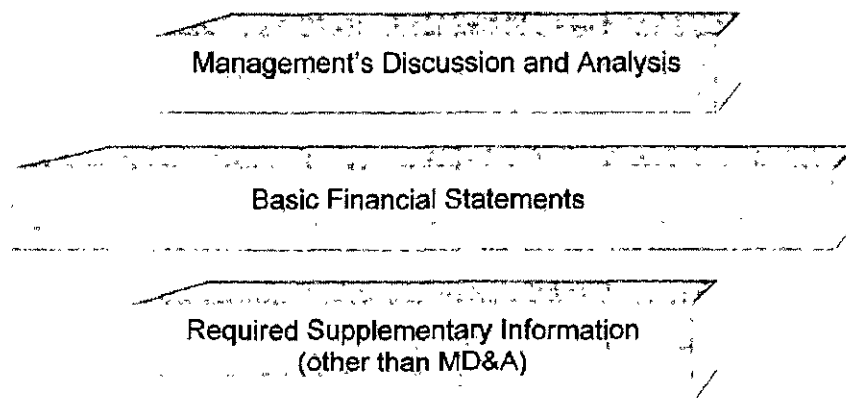
Management's Discussion and Analysis of the Louisiana Real Estate Commission's (BTA) financial performance presents a narrative overview and analysis of the Commission's (BTA) financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the transmittal letter and the Commission's (BTA) financial statements.

FINANCIAL HIGHLIGHTS

- ★ The Commission's (BTA) assets exceeded its liabilities at the close of fiscal year 2009 by \$3,296,085, which represents a 17.6% decrease from last fiscal year. The net assets decreased by \$705,571 (or 17.6%).
- ★ The Commission's (BTA) revenue decreased \$477,747 (or 9.5%), while the expenses increased by \$91,370 (or 1.8%).

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the Commission (BTA) as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the Commission (BTA) is improving or deteriorating.

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Commission's (BTA) assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Commission's (BTA) cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets as of June 30, 2009 and 2008 (in thousands)		
	Total	
	2009	2008
Current and other assets	\$ 2935	\$ 1814
Capital assets	3331	3300
Total assets	6,266	5,114
Other liabilities	347	261
Long-term debt outstanding	2623	851
Total liabilities	2,970	1,112
Net assets:		
Invested in capital assets, net of debt	3331	3300
Restricted	400	400
Unrestricted	435	302
Total net assets	\$ 3,296	\$ 4,002

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the Commission's (BTA) decreased by \$705,571, or 17.6%, from June 30, 2008 to June 30, 2009.

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2009 and 2008
(in thousands)**

	Total	
	2009	2008
Operating revenues	\$ 1803	\$ 2027
Operating expenses	2513	2301
Operating income(loss)	(710)	(274)
Non-operating revenues	2755	3009
Non-operating expenses *	(2751)	(2871)
Income(loss) before transfers	(706)	(136)
Transfers in	0	0
Transfers out	0	0
Net increase(decrease) in net assets	\$ (706)	\$ (136)

* Enter expenses as a negative amount

The Commission's (BTA) total revenues decreased by \$477,747 or (9.5%). The total cost of all programs and services increased by \$91,370 or 1.8%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2009, the Commission (BTA) had \$3,331,394 invested in a broad range of capital assets, including land, building, and furniture and equipment. (see accompanying Table). This amount represents a net increase (including additions and deductions) of \$31,338, or 0.9%, over last year.

	2009	2008
Land	\$ 198	\$ 198
Buildings and improvements	3,077	0
Equipment	56	69
Construction in progress	0	3,033
Totals \$	<u>3,331</u>	<u>3,300</u>

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

Debt

The Commission (BTA) had \$1,990,325 in notes outstanding at year-end, compared to \$516,855 last year, an increase of 74% as shown in the accompanying table.

Outstanding Debt at Year-end (in thousands)			
	2009	2008	
General Obligation Bonds	\$	\$	
Revenue Bonds and Notes	1,990	517	
Totals	\$ 1,990	\$ 517	

The Commission (BTA) had no claims and judgments outstanding at year-end. Other obligations include accrued vacation pay.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Revenues were approximately \$469,000 under budget and expenditures were less than budget due in part to a reduction in operating expenses.

CONTACTING THE LOUISIANA REAL ESTATE COMMISSION'S (BTA) MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Commission's (BTA) finances and to show the Commission's (BTA) accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director, Louisiana Real Estate Commission, Post Office Box 14785, Baton Rouge, Louisiana 70898-4785.

**STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
BALANCE SHEET
AS OF JUNE 30, 2009**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,993,754
Investments	940,759
Receivables (net of allowance for doubtful accounts)(Note U)	49
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	2,934,562

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	198,460
Buildings and improvements	3,076,868
Machinery and equipment	56,066
Infrastructure	
Construction-in-progress	
Other noncurrent assets	
Total noncurrent assets	3,331,394
Total assets	\$ 6,265,956

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 147,073
Due to other funds (Note Y)	41,005
Due to federal government	
Deferred revenues	
Amounts held in custody for others	76,389
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	82,867
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	347,335

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	23,911
Capital lease obligations	
Claims and litigation payable	
Notes payable	1,990,325
Bonds payable	
OPEB payable	608,300
Other long-term liabilities	
Total noncurrent liabilities	2,622,536
Total liabilities	2,969,871

NET ASSETS

Invested in capital assets, net of related debt	3,331,394
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	400,000
Unrestricted	(435,309)
Total net assets	3,296,085
Total liabilities and net assets	\$ 6,265,956

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Statement B

OPERATING REVENUES	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	1,802,442
Other	_____
Total operating revenues	1,802,442
OPERATING EXPENSES	
Cost of sales and services	_____
Administrative	2,414,866
Depreciation	97,835
Amortization	_____
Total operating expenses	2,512,701
Operating income(loss)	(710,259)
NON-OPERATING REVENUES(EXPENSES)	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	21,769
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	2,733,542
Other expense	(2,750,623)
Total non-operating revenues(expenses)	4,688
Income(loss) before contributions, extraordinary items, & transfers	(705,571)
Capital contributions	_____
Extraordinary item - Loss on impairment of capital assets	_____
Transfers in	_____
Transfers out	_____
Change in net assets	(705,571)
Total net assets – beginning	4,001,656
Total net assets – ending	\$ 3,296,085

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

See Appendix B for instructions

			Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Entity	\$ 2,512,701	\$ 1,802,442	\$	\$	\$ (710,259)
General revenues:					
Taxes					
State appropriations					
Grants and contributions not restricted to specific programs					
Interest					21,769
Miscellaneous					(17,081)
Special items					
Extraordinary item - Loss on impairment of capital assets					
Transfers					
Total general revenues, special items, and transfers					4,688
Change in net assets					(705,571)
Net assets - beginning as restated					4,001,656
Net assets - ending					\$ 3,296,085

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Statement D
(continued)

Cash flows from operating activities		
Cash received from customers	\$ 1,802,442	
Cash payments to suppliers for goods and services	(698,023)	
Cash payments to employees for services	(1,332,532)	
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		
Net cash provided(used) by operating activities		(228,113)
Cash flows from non-capital financing activities		
State appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other	(17,081)	
Net cash provided(used) by non-capital financing activities		(17,081)
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable	1,483,145	
Principal paid on notes payable	(9,675)	
Interest paid on notes payable		
Acquisition/construction of capital assets	(129,173)	
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		1,344,297
Cash flows from investing activities		
Purchases of investment securities	(190,047)	
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities	22,430	
Net cash provided(used) by investing activities		(167,617)
Net increase(decrease) in cash and cash equivalents		931,486
Cash and cash equivalents at beginning of year		1,062,268
Cash and cash equivalents at end of year	\$	1,993,754

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)		\$ (710,259)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	97,835	
Provision for uncollectible accounts		
Other		
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net		
(Increase)decrease in due from other funds		
(Increase)decrease in prepayments		
(Increase)decrease in inventories		
(Increase)decrease in other assets	300	
Increase(decrease) in accounts payable and accruals	65,243	
Increase(decrease) in compensated absences payable	9,086	
Increase(decrease) in due to other funds	23,141	
Increase(decrease) in deferred revenues		
Increase(decrease) in OPEB payable	286,541	
Increase(decrease) in other liabilities		
Net cash provided(used) by operating activities		\$ (228,113)

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$	
Contributions of fixed assets		
Purchases of equipment on account		
Asset trade-ins		
Other (specify)		
Total noncash investing, capital, and financing activities:	\$	-

The accompanying notes are an integral part of this statement.

STATE OF LOUISIANA
Louisiana Real Estate Commission (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2009

INTRODUCTION

The Louisiana Real Estate Commission (BTA) was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:1430 - 1470. The following is a brief description of the operations of the Commission (BTA).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Commission (BTA) present information only as to the transactions of the programs of the Commission (BTA) as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Commission (BTA) are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

The appropriations made for the operations of the various programs of the Commission (BTA) are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

STATE OF LOUISIANA
Louisiana Real Estate Commission (BTA)
Notes to the Financial Statement
As of and for the year ended June 30, 2009

	<u>APPROPRIATIONS</u>
Original approved budget	\$ 5,274,840
Amendments:	
Reduction in operating expenses	(62,132)
Final approved budget	\$ 5,212,708

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Commission (BTA) may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the (BTA) may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

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	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books (Balance Sheet)	\$ 1,993,754	\$	\$	\$ 1,993,754
Deposits in bank accounts per bank	\$ 2,003,168	\$	\$	\$ 2,003,168
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$	\$	\$	\$ -

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
1. Capital One Bank		\$ 1,614,998
2. JP Morgan Chase Bank		92,404
3. Hancock Bank		294,612
4. Regions Bank		1,154
Total		\$ 2,003,168

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ NONE
Petty cash	\$ 300

2. INVESTMENTS

The Commission (BTA) does maintain investment accounts as authorized by R.S. 49:327(C).

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

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GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ 375,000	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	565,759	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ -	\$ -	\$ 940,759	\$ -

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

3. DERIVATIVES – NOT APPLICABLE

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES – NOT APPLICABLE

5. POLICIES – NOT APPLICABLE

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6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS – NOT APPLICABLE

D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)				
Capital assets not being depreciated							
Land	\$ 198,460	\$	\$	\$ 198,460	\$	\$	\$ 198,460
Non-depreciable land improvements							
Capitalized collections							
Construction in progress	3,032,751			3,032,751	123,011	(3,155,762)	
Total capital assets not being depreciated	3,231,211	-	-	3,231,211	123,011	(3,155,762)	198,460
Other capital assets							
Machinery and equipment	271,745			271,745	7,890		(154,542)
Less accumulated depreciation	(202,900)			(202,900)	(18,941)		152,814
Total Machinery and equipment	68,845	-	-	68,845	(11,051)	-	(1,728)
Buildings and improvements						3,155,762	3,155,762
Less accumulated depreciation						(78,894)	(78,894)
Total buildings and improvements	-	-	-	-	-	3,076,868	3,076,868
Depreciable land improvements							
Less accumulated depreciation							
Total depreciable land improvements	-	-	-	-	-	-	-
Infrastructure							
Less accumulated depreciation							
Total infrastructure	-	-	-	-	-	-	-
Total other capital assets	68,845	-	-	68,845	(11,051)	3,076,868	(1,728)
Capital Asset Summary:							
Capital assets not being depreciated	3,231,211	-	-	3,231,211	123,011	(3,155,762)	198,460
Other capital assets, at cost	271,745	-	-	271,745	7,890	3,155,762	(154,542)
Total cost of capital assets	3,502,956	-	-	3,502,956	130,901	-	(154,542)
Less accumulated depreciation	(202,900)	-	-	(202,900)	(18,941)	(78,894)	152,814
Capital assets, net	\$ 3,300,056	\$ -	\$ -	\$ 3,300,056	\$ 111,960	\$ (78,894)	\$ (1,728)

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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E. INVENTORIES –NOT APPLICABLE

F. RESTRICTED ASSETS – NOT APPLICABLE

G. LEAVE

1. COMPENSATED ABSENCES

The Commission (BTA) has the following policy on annual and sick leave:

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at June 30, 2009 (**fiscal year end**) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be zero. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the (BTA) are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time (BTA) employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They

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cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 20.4% and 19.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The Commission's (BTA) contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$174,358, \$167,521, and \$135,802, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

1. Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	\$353.4
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	321.8
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	\$12.9
5. ARC adjustment (2./3.)	\$12.3
6. Annual OPEB expense (1. + 4. - 5.)	\$354.0
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	\$67.5
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	\$0.0
9. **NOO, end of year (2. + 6. - 7 +or-8.)	\$608.3

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

2. Note Disclosures

Plan Description

The Commission provides certain continuing health care and life insurance benefits for its eligible retired employees and their beneficiaries through participation in the State of Louisiana's health insurance plan administered by the Office of Group Benefits (OGB), an agent multiple-employer defined benefit plan. Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. The OGB does not issue a stand-alone report; however, OGB is included in the State of Louisiana's Comprehensive Annual Financial Report (CAFR) which may be obtained from the Office of Statewide Reporting and Accounting Policy's website at

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www.doa.la.gov/osrap, by writing to P.O. Box 94095, Baton Rouge, Louisiana 70804-9095, or by calling (225) 342-0708.

Funding Policy

Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state legislature. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Employees hired before January 1, 2002 pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002 pay a percentage of the contribution rate based on years of service. The contribution rate ranges from 25% to 81%. Other post-employment benefits (OPEB) administered through the OGB are financed on a pay-as-you-go basis.

Annual OPEB Cost

For the 2008/09 fiscal year, the Commission's annual OPEB cost (expense) of \$353,400 was equal to the annual required contribution (ARC). The Commission's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008/09 fiscal year are:

<u>Fiscal Year</u>	<u>Annual OPEB cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 353,400	19.1%	\$ 608,300
6/30/08	\$ 396,000	18.7%	\$ 321,759

Funded Status and Funding Progress: The funded status of the plan as of July 1, 2008 is as follows:

Actuarial accrued liability (AAL)	\$4,220,000
Actuarial value of plan assets	None
Unfunded actuarial accrued liability (UAAL)	\$4,220,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$1,369,484
UAAL as a percentage of covered payroll	308%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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In the July 1, 2008 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% investment rate of return (net of expenses) and an annual healthcare cost trend rate of 9.0% (pre-medicare) and 10.1% (medicare eligible) initially, reduced by decrements to an ultimate rate of 5% (pre-medicare and medicare eligible) and after fifteen years. The unfunded actuarial liability is shown using both a level dollar amount and a level percent of pay over an amortization period of thirty years in developing the annual required contribution.

J. LEASES

1. OPERATING LEASES

The total payments for operating leases during fiscal year 2008/09 amounted to \$64,950. **(Note: If lease payments extend past FY 2024, create additional columns and report these future minimum lease payments in five year increments.)** A schedule of payments for operating leases follows:

Nature of lease	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015-2019	FY 2020-2024
Office Space	\$ 0	\$	\$	\$	\$	\$	\$
Equipment	0						
Land	0						
Other	0						
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

2. CAPITAL LEASES – NOT APPLICABLE

3. LESSOR DIRECT FINANCING LEASES – NOT APPLICABLE

4. LESSOR – OPERATING LEASE – NOT APPLICABLE

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009: (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Year ended June 30, 2009				Amounts due within one year
	Balance June 30, 2008	Additions	Reductions	Balance June 30, 2009	
Notes and bonds payable:					
Notes payable	\$	\$	\$	\$ --	\$
Bonds payable				--	
Total notes and bonds	--	--	--	--	--
Other liabilities:					
Contracts payable				--	
Compensated absences payable	97,693	9,085		106,778	82,867
Capital lease obligations				--	
Claims and litigation				--	
OPEB payable				--	
Other long-term liabilities				--	
Total other liabilities	97,693	9,085	--	106,778	82,867
Total long-term liabilities	\$ 97,693	\$ 9,085	\$ --	\$ 106,778	\$ 82,867

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- L. CONTINGENT LIABILITIES – NOT APPLICABLE**
- M. RELATED PARTY TRANSACTIONS – NOT APPLICABLE**
- N. ACCOUNTING CHANGES – NOT APPLICABLE**
- O. IN-KIND CONTRIBUTIONS – NOT APPLICABLE**
- P. DEFEASED ISSUES – NOT APPLICABLE**
- Q. REVENUES – PLEDGED OR SOLD (GASB 48) – NOT APPLICABLE**
- R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – NOT APPLICABLE**
- S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – NOT APPLICABLE**
- T. SHORT-TERM DEBT – NOT APPLICABLE**
- U. DISAGGREGATION OF RECEIVABLE BALANCES**

Receivables at June 30, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
	\$	\$	\$	49	\$ 49
					-
Gross receivables	\$ -	\$ -	\$ -	49	\$ 49
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ -	\$ -	49	\$ 49
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	-

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 54,780	\$ 91,325	\$	\$ 968	\$ 147,073
					-
Total payables	\$ 54,780	\$ 91,325	\$ -	\$ 968	\$ 147,073

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W. SUBSEQUENT EVENTS

The Louisiana Real Estate Commission has received approval from the Louisiana Bond Commission to borrow the proceeds of revenue bonds to construct new office space for the commission located at 9071 Interline Avenue, Baton Rouge, Louisiana. The bonds will be supported by a letter of credit in the amount of \$2,000,000 from Regions Bank, formerly AmSouth Bank. The letter of credit will be secured by an assignment of the commission's fees and will expire in three years from the date of issuance unless renewed. On July 11, 2007, bond anticipation notes were executed in the amount of \$2,000,000 for use in interim construction of the building. As of June 30, 2009, the Commission had drawn total installments of \$2,000,000, and the balance of the notes outstanding was \$1,990,325. The notes will mature on October 11, 2009 based upon an amendment to the notes dated July 6, 2009. The notes will be paid from the proceeds of the bond issuance. The Commission moved into the building on July 18, 2008.

X. SEGMENT INFORMATION – NOT APPLICABLE

Y. DUE TO/DUE FROM AND TRANSFERS

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
 (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due from other funds		\$ <u>NONE</u>

2. List by fund type the amounts **due to other funds** detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	Louisiana Real Estate	\$ 41,006
_____	Appraisers Board	_____
Total due to other funds		\$ <u>41,006</u>

3. List by fund type **all transfers from other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total transfers from other funds		\$ <u>NONE</u>

4. List by fund type **all transfers to other funds for the fiscal year:**

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total transfers to other funds		\$ <u>NONE</u>

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – NOT APPLICABLE

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AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS – NOT APPLICABLE

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46)

Of the total net assets reported on Statement A at June 30, 2009, \$400,000 is restricted by enabling legislation.

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
Louisiana Real Estate Recovery Fund	LSA-R. S. 37:1461	\$ 400,000
Total		\$ 400,000

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – NOT APPLICABLE

DD. EMPLOYEE TERMINATION BENEFITS

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2009, the Commission paid no voluntary or involuntary termination benefits.

There is no liability for accrued voluntary or involuntary termination benefits payable at June 30, 2009.

Termination benefits include payments for unused annual leave balances up to 300 hours.

EE. POLLUTION REMEDIATION OBLIGATIONS (BTA) – NOT APPLICABLE

Name	Amount
Keitha Avant	\$ 550
Michael D. Bono	850
Pat Caffery	600
Gretchen Ezernack	1,500
Tim Flavin	900
Jennifer Lanasa	1,050
Judy Songy	1,250
Cynthia Stafford	1,700
Frank Trapani	1,100
Total	\$ 9,500

SCHEDULE 1

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE
 _____, 20____
 (Fiscal close)

NOT APPLICABLE							
Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE
 _____, 20____
 (Fiscal close)

NOT APPLICABLE

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
_____	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 20__

NOT APPLICABLE

<u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2010	\$ _____	\$ _____	\$ _____	\$ _____ -
2011	_____	_____	_____	_____ -
2012	_____	_____	_____	_____ -
2013	_____	_____	_____	_____ -
2014	_____	_____	_____	_____ -
2015-2019	_____	_____	_____	_____ -
2020-2024	_____	_____	_____	_____ -
2025-2029	_____	_____	_____	_____ -
2030-2034	_____	_____	_____	_____ -
 Total	 \$ _____ -	 \$ _____ -	 \$ _____ -	 \$ _____ -

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF NOTES PAYABLE AMORTIZATION
 For the Year Ended June 30, 20__

NOT APPLICABLE

Fiscal Year Ending	Principal	Interest
2010	\$ _____	\$ _____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015-2019	_____	_____
2020-2024	_____	_____
2025-2029	_____	_____
2030-2034	_____	_____
Total	\$ _____ --	\$ _____ --

SCHEDULE 4-B

STATE OF LOUISIANA
 _____ (BTA)
SCHEDULE OF BONDS PAYABLE AMORTIZATION
 For The Year Ended June 30, 20____
 NOT APPLICABLE

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ _____	\$ _____
2011	_____	_____
2012	_____	_____
2013	_____	_____
2014	_____	_____
2015	_____	_____
2016	_____	_____
2017	_____	_____
2018	_____	_____
2019	_____	_____
2020	_____	_____
2021	_____	_____
2022	_____	_____
2023	_____	_____
2024	_____	_____
2025	_____	_____
2026	_____	_____
2027	_____	_____
2028	_____	_____
2029	_____	_____
2030	_____	_____
2031	_____	_____
2032	_____	_____
2033	_____	_____
2034	_____	_____
Total	\$ _____ --	\$ _____ --

STATE OF LOUISIANA

(BTA)
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2009

NOT APPLICABLE	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Federal Funds			-		-
Sales of Commodities and Services			-		-
Other			-		-
Total appropriated revenues	-	-	-	-	-
Expenses:					
Cost of goods sold	\$	\$	\$	\$	\$
Personal services			-		-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Other charges			-		-
Capital outlay			-		-
Interagency transfers			-		-
Debt service			-		-
Other:					
Bad debts			-		-
Depreciation			-		-
Compensated absences			-		-
Interest expense			-		-
Other (identify)			-		-
Total appropriated expenses	-	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	\$	\$

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS**

June 30, 2009

NOT APPLICABLE

Excess (deficiency) of revenues over expenses (budget basis)	\$	
Reconciling items:		
Cash carryover		
Use of money and property (interest income)		
Depreciation		
Compensated absences adjustment		
Capital outlay		
Disposal of fixed assets		
Change in inventory		
Interest expense		
Bad debts expense		
Prepaid expenses		
Principal payment		
Loan Principal Repayments included in Revenue		
Loan Disbursements included in Expenses		
Accounts receivable adjustment		
Accounts payable/estimated liabilities adjustment		
Other		
Change in Net Assets	\$	-

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
LOUISIANA REAL ESTATE COMMISSION (BTA)
COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ <u>4,557,753</u>	\$ <u>5,035,500</u>	\$ <u>(477,747)</u>	\$ <u>(9.5%)</u>
Expenses	<u>5,263,324</u>	<u>5,171,954</u>	<u>91,370</u>	<u>1.8%</u>
2) Capital assets	<u>3,331,394</u>	<u>3,300,056</u>	<u>31,338</u>	<u>0.9%</u>
Long-term debt	<u></u>	<u></u>	<u>-</u>	<u></u>
Net Assets	<u>3,296,085</u>	<u>4,001,656</u>	<u>(705,571)</u>	<u>(17.6%)</u>
Explanation for change:	<u></u>			
	<u></u>			
	<u></u>			
	<u></u>			

AGENCY NUMBER _____
AGENCY NAME _____

1

[illegible]